

DANIEL H. INOUE, HAWAII  
ERNEST F. HOLLINGS, S.C.  
BENJAMIN R. LEE, IND.  
THOMAS M. LARSEN, MO.  
LAWTON CHILES, FLA.  
J. PENNETT JONSTON, LA.  
WALTER D. MURDERSON, KY.  
GORDON M. FORDICK, N. DAK.  
PATRICK J. LEAHY, VT.  
JIM SASSER, TENN.  
DENNIS DECONCINI, ARIZ.  
DALE BUMPERS, ARK.

MARK G. HATHFIELD, OREG.  
TED STEVENS, ALASKA  
CHARLES MCCLINTOCK, JR., MD.  
MURPHY BELLMON, CALIF.  
LOWELL P. WICKER, JR., CONN.

Approved For Release 2002/06/24 : CIA-RDP92-00455R000300070034-9

COMMITTEE ON APPROPRIATIONS

WASHINGTON, D.C. 20510

September 25, 1978

*Study 278*  
*Reprogramming*  
*780410*

OLC # 73-110977

Admiral Stansfield Turner  
Director of Central Intelligence  
Washington, D. C. 20505

Dear Admiral:

Reference is made to your letter of May 3, which requested approval to reorganize elements of the Intelligence Community oversight function. A proposed FY 1978 reprogramming and FY 1979 budget amendment were associated.

Basically, the Committee interposes no objection to the concept of staff reorganization as you have outlined it. In such matters, the Committee feels that, within the bounds of Congressional direction, mechanics of program execution are best left to those tasked with that responsibility. This, however, does not constitute approval for all aspects of the proposal.

The matter of ultimate personnel and funding levels for this function is yet to be resolved as part of the FY 1979 budget process. As such, no commitment is made beyond the [redacted] addressed in your letter and, pending budget action, no implementing steps should be taken which would presuppose a higher number.

STATINTL

With best wishes, I am

Sincerely,

*John C. Stennis*  
John C. Stennis  
Chairman, Subcommittee on  
Defense

JCS:fjm

TITLE VIII  
RELATED AGENCY

INTELLIGENCE COMMUNITY OVERSIGHT

As explained at length in the section of the Report concerning intelligence programs, the Committee has recommended the establishment of a new appropriation in the amount of \$5,600,000 for "Intelligence Community Oversight". These activities were previously funded in the Central Intelligence Agency budget. The new separate appropriation for "Intelligence Community Oversight" will give increased stature and independence to the Intelligence Community Staff and the United States Intelligence Board which will be funded from this appropriation. This should assure the vigorous oversight of the intelligence community which the Committee expects.

(199)

Extracted from: Conference Committee Report on HR 14262, Department of Defense 1977 Appropriation.

## TITLE VIII—RELATED AGENCY

### INTELLIGENCE COMMUNITY OVERSIGHT

Amendment No. 113: Appropriates \$5,600,000 for "Intelligence Community Oversight" as proposed by the House.

The conferees agreed that a separate appropriation for "intelligence Community Oversight" would give increased independence and stature to the activities of the Intelligence Community Staff and to the National Foreign Intelligence Board. This independence will help assure vigorous oversight of the intelligence community.

The conferees also agreed that a public appropriation would do no harm and could do much good as a symbol of the congressional intent that there be strong, central direction of the intelligence community. The conferees agreed, however, that other elements of the intelligence and intelligence-related budgets should not be revealed, since to do so could result in harmful effects to United States security.

The main desire of the conferees is to enable the Intelligence Community Staff and the National Foreign Intelligence Board to achieve policy independence. There is no intent to preclude the provision under the Economy Act and other general authorities of certain administrative services, including but not limited to, security, communications, financial, logistics, and computer services by other elements of the intelligence community (or even the non-intelligence community within the dictates of security). However, any such administrative services must be funded from the "Intelligence Community Oversight" appropriation through transfers or other appropriate devices. There is to be no augmentation of this appropriation, except by supplemental appropriations. There is also to be no carryover of unobligated funds, since this is intended to be an annual appropriation. The normal apportionment procedures of the Office of Management and Budget should apply to this appropriation. Within the above caveats, the conferees agreed that, to the extent it is permissible under existing law, the authorities granted to the Director of Central Intelligence and to the Central Intelligence Agency in regard to such activities as hiring and procurement practices may apply to the activities funded by the "Intelligence Community Oversight" appropriation.

While the conferees have no objection to provision of reimbursed support services from other sources, they feel it would be inappropriate to depend on other sources for policy sensitive services. To do so would be to deny the intent of Congress, which is that the Intelligence Community Staff and the National Foreign Intelligence Board be totally independent.

The Committees will expect that separate budget justifications and congressional testimony shall be presented in defense of the 1978 budget request for "Intelligence Community Oversight". This justification material in addition to the normal information concerning personnel levels and dollars requested, shall include a discussion of the principal achievements of the Intelligence Community Staff, the National Foreign Intelligence Board, and the Committee on Foreign Intelligence, including a summary by program and agency of the amounts requested and the amounts approved for intelligence and intelligence

In order to further this image of impartiality and independence, the Committee is providing a separate appropriation of \$5,600,000 for "Intelligence Community Oversight". This separate appropriation will give an additional degree of independence to the Intelligence Community Staff and the United States Intelligence Board. This additional independence will help assure the strong oversight of the intelligence community which the Committee expects and demands.

While the accompanying report table indicates this is an increase of \$5,600,000 over the budget, in reality it is only a transfer from the CIA budget to an independent appropriation. However, the offsetting decrease of \$5,600,000 in the CIA budget is not apparent because of the Committee's continuing belief that the size and the location in this bill of the CIA budget should not be revealed. The Committee felt an exception to its general policy of concealment of the intelligence budget is merited in the case of the \$5,600,000 appropriation for "Intelligence Community Oversight" because it wants to assure the Congress unambiguously that the Committee supports increased oversight of the intelligence community.

#### INTELLIGENCE-RELATED PROGRAMS

The Committee has also made reductions of \$20 million in intelligence-related programs.

The scope of intelligence-related programs is inherently difficult to define since they occupy a grey zone between pure intelligence and direct support to individual field commanders. Reasonable men can disagree as to where the line should be drawn between intelligence and intelligence-related programs. Much of the controversy during the past year as to the true size of the intelligence community budget has revolved around the issue of where to draw the line between the two.

Because of the importance of this issue, the Committee during the past year has devoted a considerable amount of its time both in hearings and in negotiations with the Defense Department in trying to identify and review all funds for intelligence-related programs. This has been a difficult and frustrating process and the Committee is disappointed with the results to date.

The Defense Department, in material provided the Committee, defines intelligence-related programs as follows:

Intelligence-related programs and activities are distinguishable from those labeled national or strategic intelligence assets:

- (1) if they are not an integral part of the combat force structure;
- (2) if the data derived therefrom is usually provided directly to command elements for tactical operations and weapons system control; and,
- (3) if these activities support actual combat. Most important, the information obtained for these activities in wartime is provided in near real time to combat commanders to directly assist them in the deployment of their forces.

H. Rep 95-457

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DISSENT

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# TITLE IX

## RELATED AGENCIES

### INTELLIGENCE COMMUNITY STAFF

Appropriation, 1977	-----	\$8,748,000
New obligational authority, 1978:		
Estimate	-----	10,500,000
Recommended	-----	8,950,000
Reduction	-----	1,550,000

The Committee recommends a total of \$8,950,000 and 170 positions for the Intelligence Community Staff. This is a reduction of \$1,550,000 and 26 positions below the amounts requested. The amount provided is \$202,000 more than provided last year and will permit the same level of staffing as in fiscal year 1977.

In a May 1, 1977, letter to the Chairman of the House and Senate Appropriations Committees, the Director of Central Intelligence made a commitment to the Congress to convert some Intelligence Community Staff employees to a full-time permanent status, rather than staffing the Intelligence Community Staff exclusively with persons on detail from other intelligence agencies. The Committee has insisted since the beginning that a permanent cadre was necessary to insure the desired independence and objectivity of the Intelligence Community Staff, and is pleased that the Director of Central Intelligence has agreed to begin the conversion to a staff which is partially composed of permanent personnel.

The Conference Report (House Report No. 95-166) on the 1977 Supplemental Appropriation Act included the following language:

... the conferees agreed that they would expect the Intelligence Community Staff to establish a permanent cadre *as soon as practicable*. (Emphasis added.)

The conference report was issued on April 6, 1977. The Committee has learned that as of June 2, 1977 (almost two months after issuance of the Conference Report) the Intelligence Community Staff had still not converted a single employee to permanent status. The Committee cannot understand the continuing delay in implementing a policy agreed upon by both the Congress and the Director of Central Intelligence and believes further delay should cease and conversion begin.

The fiscal year 1979 budget request should include a detailed report on the scope and pace of conversions in fiscal years 1977 and 1978 and any additional conversions proposed in fiscal year 1979.

(341)

Estimated unobligated balances are \$395,000,000 in fiscal year 1977 but are likely to be increased as the year progresses and certain programs experience troubles, etc. It is normal to experience unobligated balances in these accounts of about \$600,000,000. The requested funding represents a relatively small portion of the unobligated balance and is insignificant when compared with the nearly \$12 billion already provided.

The Committee is allowing the Department the same flexibility granted last year in "finding" the funds to cover this portion of the pay raise. Transfers made solely for the purpose of meeting RDT&E pay raises will not require prior approval of the Committee. Notification will be sufficient.

### RELATED AGENCIES

#### INTELLIGENCE COMMUNITY OVERSIGHT

	Request	Recommended	Difference
Fiscal year 1977 supplemental requests:			
Title I, program supplemental.....	\$3,869,000	\$2,499,000	-\$1,361,000
Title II, increased pay costs.....	235,000	235,000	
Total supplemental requests.....	4,035,000	2,734,000	-1,361,000
Fiscal year 1977 presently available.....	5,600,000	5,600,000	
Fiscal year 1977 total available.....	9,635,000	8,334,000	-1,301,000

The Committee recommends a supplemental appropriation of \$2,734,000 for Intelligence Community Oversight, a reduction of \$1,301,000 below the \$4,035,000 requested. This will provide a total of \$8,334,000 for Intelligence Community Oversight in fiscal year 1977, as compared to the \$9,635,000 requested.

These funds are used to support the activities of the Intelligence Community Staff which is charged with the responsibility for control of budget preparation and resource allocation for the entire National Foreign Intelligence Program. This responsibility is exercised through the Policy Review Committee (Intelligence), which is also responsible for: establishing policy priorities for the collection and production of national intelligence; the establishment of policy for the management of the National Foreign Intelligence Program; providing guidance on the relationship of tactical and national intelligence; and providing guidance to the Community to ensure compliance with policy directives of the National Security Council.

The Committee reductions are in personnel compensation and in Object Class 25 ("Other Services"). The personnel compensation reductions result from the Committee approving 160 positions, rather than the 196 positions requested. The Object Class 25 reductions are based upon the belief that excessive contracting is proposed in the fiscal year 1977 supplemental request.

#### ANTICIPATED ACTIONS ON FY 1978 BUDGET

In deciding upon its recommendations, the Committee also considered the fiscal year 1978 budget request which assumed passage of

the 1977 Supplemental. The Committee decisions on both fiscal year 1977 and fiscal year 1978 are included in this Report in order to give the Intelligence Community Staff adequate time to prepare for implementation of the Committee's recommendations. These recommendations are as follows:

#### INTELLIGENCE COMMUNITY OVERSIGHT—RECOMMENDED DOLLAR AND PEOPLE REDUCTIONS

	1977 budget	1977 supplemental	Total 1977	1978 budget
Dollars requested.....	5,600,000	4,035,000	9,635,000	10,500,000
Personnel reduction.....		-590,000	-590,000	-1,095,000
Other services reduction (object class 25).....		-711,000	-711,000	-891,000
Total reduction.....		-1,301,000	-1,301,000	-1,986,000
Total recommended.....	5,600,000	2,734,000	8,334,000	8,514,000
People requested.....	141	55	195	195
Personnel reduction.....		-36	-36	-35
Total recommended.....	141	19	160	160

#### OBJECT CLASS 25 REDUCTIONS

The funds provided will enable the Intelligence Community Staff to move into a new Community Headquarters Building in March or April of this year. In making reductions in Object Class 25, the Committee specifically excluded from the reductions \$520,000 requested in the fiscal year 1977 supplemental and \$656,000 requested in the fiscal year 1978 budget for Object Class 25 expenditures related to occupying the Community Headquarters Building. These funds shall be available only for the purposes indicated in the budget justifications, and may not be diverted to contractual studies or to other activities. The personnel reductions discussed below will also make it unnecessary for the Intelligence Community Staff to occupy any space, including conference space, external to the new Community Headquarters Building.

#### PERSONNEL REDUCTIONS

In providing 160 positions rather than the 196 positions requested, the Committee was guided by two factors. First, it was convinced that 160 positions are sufficient to provide strong oversight. This is more positions than the Appropriations Committee has to oversee the entire Federal budget. Since the Committee believes it is able to provide strong oversight of a large program with a relatively small staff, it believes with a staff of 160 the Intelligence Community Staff should be capable of providing oversight of a much smaller program.

The Committee was also concerned that the Intelligence Community Staff not become overly involved in the day to day operations of the intelligence agencies. It should restrict itself to major policy issues, to detailed review of the National Foreign Intelligence Program budget and intelligence-related budget and to problems crossing agency lines. 160 positions are sufficient to achieve these objectives.

## VIOLATION OF CONGRESSIONAL INTENT

The Committee was also very concerned about the fact that testimony in the hearings developed the information that 170 persons are currently on board, whereas the Congress only authorized 141 positions in the 1977 Appropriations Act. This is a serious violation of congressional intent, and no intelligence agency should commit a similar violation in the future. As this bill demonstrates, no supplemental is assured until it is enacted, and no agency should act in anticipation of favorable consideration of a supplemental appropriation or reprogramming. To demonstrate its concern, the Committee is requiring a reduction from 170 to 160 positions. More serious actions may be required if similar violations occur in the future.

APPROPRIATION LANGUAGE TO REDUCE USAGE OF CONTRACT AND  
DETAILED EMPLOYEES

The Committee was also concerned that the policy of using contract personnel or personnel on detail from other intelligence agencies to staff the Intelligence Community Staff would not provide for sufficiently vigorous and independent oversight of the intelligence community. Since the Committee believes strong oversight is essential and can only be achieved by diminishing the number of people on contract and on detail, it has included language in the fiscal year 1978 budget to provide for a transition to an Intelligence Community Staff which is primarily composed of full-time permanent employees, rather than detailees and contract employees.

The fiscal year 1977 appropriation language, which will provide for a ratio by August 1, 1977 of 20 percent permanent employees to 80 percent contract employees and employees on detail, is as follows:

For an additional amount for "Intelligence Community Oversight", \$2,499,000: *Provided*, That after August 1, 1977, none of the funds contained herein may be used to finance in excess of 128 contract employees or employees on detail to the Intelligence Community Staff from other agencies.<sup>1</sup>

The language to be included in the fiscal year 1978 Defense Appropriations Act will provide for a ratio by January 1, 1978, of 60 percent permanent employees to 40 percent contract employees and employees on detail. The 1978 language is as follows:

For necessary expenses for Intelligence Community Oversight, \$8,514,000: *Provided*, That after January 1, 1978, none of the funds contained herein may be used to finance in excess of 64 contract employees or employees on detail to the Intelligence Community Staff.<sup>2</sup>

In agreeing to the 20/80 ratio in fiscal year 1977, and the 60/40 ratio in fiscal year 1978, the Committee further agreed that the ratio should be equally applied to professional and support people. In other words, 60 percent of the professional people should be full-time, permanent

<sup>1</sup> An additional \$235,000 is included in Title II, Increased pay costs, for total fiscal year 1977 supplemental appropriations of \$2,734,000.



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employees and 40 percent should be contract employees or employees on detail from other agencies. Likewise, 60 percent of the support people should be full-time permanent employees, and 40 percent should be contract employees or employees on detail. Furthermore, these definitions apply to all employees, and there shall be no exclusion of employees of DCI Committees or other employees in calculating the ratios. Finally, the Committee agreed there should be a distribution of personnel which reflects the overall composition of the intelligence community. There should not be disproportionate representation of any one agency.

The Committee believes, its recommendations on the fiscal year 1977 supplemental and the fiscal year 1978 budget will lead to an Intelligence Community Staff that is truly independent and can exercise strong oversight of the Intelligence Community.

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95TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT  
1st Session } No. 95-451

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1978

JUNE 21, 1977.—Committed to the Committee of the Whole House on the  
State of the Union and ordered to be printed

Mr. MAHON, from the Committee on Appropriations,  
submitted the following

REPORT

together with

SEPARATE AND ADDITIONAL VIEWS

[To accompany H.R. 7933]

The Committee on Appropriations submits the following report in  
explanation of the accompanying bill making appropriations for the  
Department of Defense, and for other purposes, for the fiscal year  
ending September 30, 1978.

APPROPRIATIONS AND ESTIMATES

Appropriations for most military functions of the Department of  
Defense are provided for in the accompanying bill for the fiscal year  
1978. This bill does not provide for military assistance, military con-  
struction, military family housing, or civil defense, which require-  
ments are considered in connection with other appropriation bills.

The new budget (obligational) authority enacted for the fiscal year  
1977, the President's budget estimates, as amended (House Documents  
Nos. 95-93, 95-137, 95-145, and 95-161), and amounts recommended  
by the Committee for the fiscal year 1978 appear in summary form in  
the following table beginning on page 2:

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## TITLE IX

### RELATED AGENCIES

#### INTELLIGENCE COMMUNITY STAFF

Appropriation, 1977	\$8,748,000
New obligational authority, 1978:	
Estimate	10,500,000
Recommended	8,950,000
Reduction	1,550,000

The Committee recommends a total of \$8,950,000 and 170 positions for the Intelligence Community Staff. This is a reduction of \$1,550,000 and 26 positions below the amounts requested. The amount provided is \$202,000 more than provided last year and will permit the same level of staffing as in fiscal year 1977.

In a May 1, 1977, letter to the Chairman of the House and Senate Appropriations Committees, the Director of Central Intelligence made a commitment to the Congress to convert some Intelligence Community Staff employees to a full-time permanent status, rather than staffing the Intelligence Community Staff exclusively with persons on detail from other intelligence agencies. The Committee has insisted since the beginning that a permanent cadre was necessary to insure the desired independence and objectivity of the Intelligence Community Staff, and is pleased that the Director of Central Intelligence has agreed to begin the conversion to a staff which is partially composed of permanent personnel.

The Conference Report (House Report No. 95-166) on the 1977 Supplemental Appropriation Act included the following language:

... the conferees agreed that they would expect the Intelligence Community Staff to establish a permanent cadre *as soon as practicable*. (Emphasis added.)

The conference report was issued on April 6, 1977. The Committee has learned that as of June 2, 1977 (almost two months after issuance of the Conference Report) the Intelligence Community Staff had still not converted a single employee to permanent status. The Committee cannot understand the continuing delay in implementing a policy agreed upon by both the Congress and the Director of Central Intelligence and believes further delay should cease and conversion begin.

The fiscal year 1979 budget request should include a detailed report on the scope and pace of conversions in fiscal years 1977 and 1978 and any additional conversions proposed in fiscal year 1979.

**Farmers Home Administration**  
**Agricultural Credit Insurance Fund**  
**Water Development, Use, and Conservation**  
**Loans**

The conferees agree that an additional \$20,000,000 should be provided for irrigation, drainage, and other soil and water conservation measures under the Consolidated Farm and Rural Development Act.

This increase is necessary to cover additional applications and additional needs occasioned by the continuing drought in some sections of the country.

**Rural Water and Waste Disposal Grants**

Amendment No. 5: Appropriates an additional \$75,000,000 for rural water and waste disposal grants as proposed by the Senate.

**Rural Development Insurance Fund**

Amendment No. 6: Provides an additional \$150,000,000 for rural water and waste disposal loans as proposed by the Senate.

**Agricultural Stabilization and Conservation Service**

**Agricultural Conservation Program**

Amendment No. 7: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede in the amendment of the Senate with an amendment which reads as follows:

**Agricultural Stabilization and Conservation Service**

**Agricultural Conservation Program**

For an additional amount to carry out the Agricultural Conservation Program, \$100,000,000 to incur obligations for the period ending September 30, 1977, and to liquidate such obligations for soil and water conserving practices in major drought or flood damaged areas as designated by the President or the Secretary of Agriculture: *Provided*, That not to exceed five per centum of the amount herein may be withheld with the approval of the State committee and allotted to the Soil Conservation Service for services of its technicians in the designated drought or flood damaged areas.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amendment provides \$100,000,000 for cost sharing payments in major drought or flood damaged areas. The Senate amendment would have provided funds only for designated drought areas. The amendment also provides for a transfer of not to exceed 5 percent of the funds to the Soil Conservation Service for services of its technicians with the approval of the State ASCS Committee. The Senate amendment had provided for a transfer of one percent. The amendment also deletes a Senate proviso that assistance be made available in accordance with standards and criteria as developed and approved by the Secretary of Agriculture, since that proviso would be legislation.

The conferees are in agreement that the funds shall be distributed based on need and not by formula. In addition to the 1970 practices, all former practices are authorized based on the need. Payments to any participant shall not exceed \$2,500; however, two or more farms or ranches may consolidate their payments into a single project.

**Military Personnel**

Amendment No. 8: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate language adding a heading—"Military Personnel" to this chapter.

**Military Personnel, Army**

Amendment No. 9: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment to appropriate \$1,167,000.

The conferees agree to provide funding to be available to the end of fiscal year 1978 for the Uniformed Services University of the Health Sciences. The Administration amendments to the FY 1978 budget estimates deleted funding in FY 1978 for the University. The House had provided no funding in the FY 1977 supplemental bill for this purpose and the Senate proposed to make these funds available at this time to eliminate uncertainty over the future of the medical university.

**Military Personnel, Navy**

Amendment No. 10: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment to appropriate \$388,000.

The conferees agree to provide funding to be available to the end of fiscal 1978 for the Uniformed Services University of the Health Sciences. The Administration amendments to the FY 1978 budget estimates deleted funding in FY 1978 for the University. The House had provided no funding in the FY 1977 supplemental bill for this purpose and the Senate proposed to make these funds available at this time to eliminate uncertainty over the future of the medical university.

**Military Personnel, Air Force**

Amendment No. 11: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment to appropriate \$910,000.

The conferees agree to provide funding to be available to the end of fiscal 1978 for the Uniformed Services University of the Health Sciences. The Administration amendments to the FY 1978 budget estimates deleted funding in FY 1978 for the University. The House had provided no funding in the FY 1977 supplemental bill for this purpose and the Senate proposed to make these funds available at this time to eliminate uncertainty over the future of the medical university.

**Operation and Maintenance, Defense Agencies**

Amendment No. 12: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment to appropriate \$10,700,000 instead of \$1,200,000 as proposed by the House. The Senate included an additional \$9,500,000 to be made available for the operation of the Uniformed Services University of the Health Sciences through September 30, 1978.

Amendment No. 13: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate. The Senate included a provision in its bill to make \$9,500,000 of the FY 1977 supplemental funding for O&M, Defense Agencies available only for the Uniformed Services University of the Health Sciences through the end of FY 1978.

The Conferees, in agreeing to provide funding for the medical university in this Act, also agreed to this provision, making operation and maintenance funds available only for the University through September 30, 1978.

**Legislative Liaison Activities**

Amendment No. 14: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate increasing the limitation on the use of funds for legislative liaison activities of the Department of Defense from \$5,000,000 to \$7,400,000.

The conferees agreed that Section 728 of the Department of Defense Appropriation Act for fiscal year 1977 should be amended to increase by \$2,400,000 the amount allowable for legislative liaison activities because of

change in the criteria for allocating operations personnel to this activity. The new criteria were agreed to in the conference on the Defense Appropriation Act for fiscal year 1977 (H. R. 1475, 94th Congress, 1st Session, House Report No. 64-1475.)

**Related Agencies**

**Intelligence Community Oversight**

Amendment No. 15: Appropriates \$2,913,000 for Intelligence Community Oversight instead of \$2,499,000 as proposed by the House and \$3,589,000 as proposed by the Senate.

The amounts approved by the conferees will provide for 170 positions for the Intelligence Community Staff instead of 160 positions as proposed by the House and 196 positions as proposed by the Senate. In agreeing to this compromise, the House conferees do not condone the fact that prior to the approval of this supplemental the Intelligence Community Staff hired in excess of the 141 positions approved in the 1977 appropriation. The amounts approved include \$250,000 for a requirements management system.

Amendment No. 16: Deletes language added by the House which would have required that after August 1, 1977, the funds in the supplemental could not be used to finance in excess of 128 contract employees or employees on detail to the Intelligence Community Staff from other agencies.

The effect of the House language was to assure that at least 20% of the employees of the Intelligence Community Staff would be full-time permanent employees. The House believed this was necessary to assure sufficient independence, since employees on detail may maintain loyalty to their parent agency. The Senate agreed with the need for a permanent cadre, but felt the House language unnecessarily inflexible. In agreeing to delete the House language, the conferees agreed that they would expect the Intelligence Community Staff to establish a permanent cadre as soon as practicable.

The conferees further agreed that by May 1, 1977, the Director of Central Intelligence shall submit to the House and Senate Committees on Appropriations a detailed organizational plan for the 170 positions approved in this supplemental. The plan should indicate which positions will be permanent and which positions will be contract employees or employees on detail from other agencies. The plan should further indicate the amounts required in 1978 to maintain on a full-year basis a staffing and contractual level of effort comparable to the level of effort approved in the 1977 supplemental. The Committees' actions on the 1978 budget will be dependent upon the timeliness and responsiveness of this proposed plan.

**Chapter III**

**Temporary Commission on Financial Oversight of the District of Columbia**

**Salaries and Expenses**

Amendment No. 17: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate inserting language as follows: "Provided, That all expenditures shall be approved by the Chairman of the Commission".

**District of Columbia**

**Federal Funds**

Federal Payment to the District of Columbia

Amendment No. 18: Appropriates \$16,202,600 for the general fund of the District of Columbia as proposed by the Senate instead of \$18,202,600 as proposed by the House.

**District of Columbia Funds**

**Transportation**

Amendment No. 19: Reported in technical disagreement. The managers on the part of the House will move to recede and concur in the amendment of the Senate appropriating \$816,000 for the Washington Metropolitan

Extracted from: Conference Committee Report on HR 14262, Department of Defense 1977 Appropriation.

## TITLE VIII—RELATED AGENCY

### INTELLIGENCE COMMUNITY OVERSIGHT

Amendment No. 113: Appropriates \$5,000,000 for "Intelligence Community Oversight" as proposed by the House.

The conferees agreed that a separate appropriation for "Intelligence Community Oversight" would give increased independence and stature to the activities of the Intelligence Community Staff and to the National Foreign Intelligence Board. This independence will help assure vigorous oversight of the intelligence community.

The conferees also agreed that a public appropriation would do no harm and could do much good as a symbol of the congressional intent that there be strong, central direction of the intelligence community. The conferees agreed, however, that other elements of the intelligence and intelligence-related budgets should not be revealed, since to do so could result in harmful effects to United States security.

The main desire of the conferees is to enable the Intelligence Community Staff and the National Foreign Intelligence Board to achieve policy independence. There is no intent to preclude the provision under the Economy Act and other general authorities of certain administrative services, including but not limited to, security, communications, financial, logistics, and computer services by other elements of the intelligence community (or even the non-intelligence community within the dictates of security). However, any such administrative services must be funded from the "Intelligence Community Oversight" appropriation through transfers or other appropriate devices. There is to be no augmentation of this appropriation, except by supplemental appropriations. There is also to be no carryover of unobligated funds, since this is intended to be an annual appropriation. The normal apportionment procedures of the Office of Management and Budget should apply to this appropriation. Within the above caveats, the conferees agreed that, to the extent it is permissible under existing law, the authorities granted to the Director of Central Intelligence and to the Central Intelligence Agency in regard to such activities as hiring and procurement practices may apply to the activities funded by the "Intelligence Community Oversight" appropriation.

While the conferees have no objection to provision of reimbursed support services from other sources, they feel it would be inappropriate to depend on other sources for policy sensitive services. To do so would be to deny the intent of Congress, which is that the Intelligence Community Staff and the National Foreign Intelligence Board be totally independent.

The Committees will expect that separate budget justifications and congressional testimony shall be presented in defense of the 1978 budget request for "Intelligence Community Oversight". This justification material in addition to the normal information concerning personnel levels and dollars requested, shall include a discussion of the principal achievements of the Intelligence Community Staff, the National Foreign Intelligence Board, and the Committee on Foreign Intelligence, including a summary by program and agency of the amounts requested and the amounts approved for intelligence and intelligence related activities.

PUBLIC LAW 95-370—SEPT. 17, 1978

INTELLIGENCE AND INTELLIGENCE-  
RELATED ACTIVITIES AUTHORIZA-  
TION ACT FOR FISCAL YEAR 1979

Public Law 95-370  
95th Congress

## An Act

Sept. 17, 1978  
[H.R. 12240]

To authorize appropriations for fiscal year 1979 for intelligence and intelligence-related activities of the United States Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes.

Intelligence and  
intelligence-  
related activities  
Authorization Act  
for Fiscal Year  
1979.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Intelligence and Intelligence-Related Activities Authorization Act for Fiscal Year 1979".

## TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. (a) Funds are hereby authorized to be appropriated for fiscal year 1979 for the conduct of the intelligence and intelligence-related activities of the following departments, agencies, and other elements of the United States Government:

- (1) The Central Intelligence Agency and the Director of Central Intelligence.
- (2) The Department of Defense.
- (3) The Defense Intelligence Agency.
- (4) The National Security Agency.
- (5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
- (6) The Department of State.
- (7) The Department of the Treasury.
- (8) The Department of Energy.
- (9) The Federal Bureau of Investigation.
- (10) The Drug Enforcement Administration.

(b) The classified annex to the joint explanatory statement prepared by the Committee of Conference to accompany the Conference Report on H.R. 12240 of the Ninety-fifth Congress shall be deemed to reflect the final action of the Congress with respect to the authorization of appropriations for fiscal year 1979 for intelligence and intelligence-related activities of the United States Government, including specific amounts for activities specified in subsection (a). Copies of such annex shall be made available to the Committees on Appropriations of the House of Representatives and the Senate and to the appropriate elements of the United States Government for which funds are authorized by this Act under subsection (a).

(c) Nothing contained in this Act shall be deemed to constitute authority for the conduct of any intelligence activity which is prohibited by the Constitution or laws of the United States.

## TITLE II—INTELLIGENCE COMMUNITY STAFF

SEC. 201. (a) There is authorized to be appropriated for the Intelligence Community Staff for fiscal year 1979 the sum of \$12,700,000 to provide the support necessary to permit the Director of Central Intelligence to fulfill his responsibility for directing the substantive functions and managing the resources for intelligence activities.

(b) For fiscal year 1979 the Intelligence Community Staff is authorized an end strength ceiling of two hundred and sixty-nine full-time

employees. Such personnel on detail from other elements as they are properly counted positions to allow appropriate United States Government related activities. Any employee of the Intelligence Community Staff from an element shall be detailed on a nonreimbursable basis for one year for performance evaluation. The Director of Central Intelligence shall submit a report to the Senate and the House of Representatives on or before July 1, 1979, on the activities of the Intelligence Community Staff.

(c) Except as provided by law, the activities of the Intelligence Community Staff shall be governed by the Director with the provisions of the 401 et seq.) and the Central Intelligence Agency Act, U.S.C. 403a-403j).

## TITLE III—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 301. There is authorized to be appropriated for fiscal year 1979 the sum of \$43,500,000 for the Central Intelligence Agency Retirement and Disability System.

## TITLE IV—ADMISSION OF ALIENS

SEC. 401. By October 30, 1979, the President shall submit to the Permanent Select Committee on the Judiciary of the House of Representatives and the Senate regarding those cases of the Federal Bureau of Investigation which the Director knows or has reason to believe are applying for admission into the United States under the terms of section 21 of the Immigration and Nationality Act (8 U.S.C. 1521) and subsequently admitted into the United States.

Approved September 17, 1978

## LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1075, (Comm. on Armed Services).

SENATE REPORTS: No. 95-744 and No. 95-1075.

CONGRESSIONAL RECORD, Vol. 104, June 6, considered and passed; July 20, considered and passed; Aug. 17, House agreed to conference; Aug. 22, Senate agreed to conference.



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employees. Such personnel may be permanent employees or employees on detail from other elements of the United States Government so long as they are properly counted within the ceiling and there is a mix of positions to allow appropriate representation from elements of the United States Government engaged in intelligence and intelligence-related activities. Any employee who is detailed to the Intelligence Community Staff from another element of the United States Government shall be detailed on a reimbursable basis, except that an employee may be detailed on a nonreimbursable basis for a period of less than one year for performance of temporary functions as required by the Director of Central Intelligence.

(c) Except as provided in subsection (b) and until otherwise provided by law, the activities of the Intelligence Community Staff shall be governed by the Director of Central Intelligence in accordance with the provisions of the National Security Act of 1947 (50 U.S.C. 401 et seq.) and the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a-403j).

### TITLE III—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 301. There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability System for the fiscal year 1979 the sum of \$43,500,000.

### TITLE IV—ADMISSION OF CERTAIN EXCLUDABLE ALIENS

Sec. 401. By October 30, 1979, the Attorney General shall report to the Permanent Select Committee on Intelligence and the Committee on the Judiciary of the House of Representatives and the Select Committee on Intelligence and the Committee on the Judiciary of the Senate regarding those cases during the period beginning on October 1, 1978, and ending on September 30, 1979, in which (1) the Director of the Federal Bureau of Investigation has notified the Attorney General that the Director knows or has reason to believe that an alien applying for admission into the United States is an excludable alien under the terms of section 212(a) (27), (28), or (29) of the Immigration and Nationality Act (8 U.S.C. 1182(a)), and (2) such alien is subsequently admitted into the United States.

Report to congressional committees.  
8 USC 1182 note.

Approved September 17, 1978.

#### LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 95-1075, Pt. 1 (Select Comm. on Intelligence) and Pt. 2 (Comm. on Armed Services) and No. 95-1420 (Comm. of Conference).

SENATE REPORTS: No. 95-744 accompanying S. 2939 (Select Comm. on Intelligence) and No. 95-1028 (Comm. on Armed Services).

CONGRESSIONAL RECORD, Vol. 124 (1978):

June 6, considered and passed House.

July 20, considered and passed Senate, amended, in lieu of S. 2939.

Aug. 17, House agreed to conference report.

Aug. 22, Senate agreed to conference report.

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STATINTL

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PERSIGN (Requirements/Design) Decisions

Control No. 029

Date 7 Aug 78

Page of 1 of 1

SUBJECT : Movement of ICS Permanent Cadre Personnel to CIA  
On a Permanent Basis

ANALYSTS &amp; INITIALS

[REDACTED]

HRS PROJECT DISTRIBUTION: PERSIGN Design Team

Requirement/Design Decision:

STATINTL

The question of what happens to ICS permanent cadre employees when they switch to the Agency on a permanent basis was raised with [REDACTED] today. (LCD, ETP, CSEOD, SD, etc., being involved).

She checked with C/SPD, [REDACTED] who stated that the Office of General Counsel has already ruled on this point (she didn't know whether orally or in writing) to wit: The ICS employee will be separated from ICS and EOD with CIA with no credit toward trial period, LCD, etc., with CIA - just like coming from any other agency. It is safe to assume, in view of OGC's opinion that these are separate agencies that anyone from the Agency joining the permanent cadre of ICS likewise separates and starts all over with ICS.

NOTE: As a result of the above decision, SDCHK module will have to be changed to check first character of SD if changing from alpha to numeric, numeric to alpha, or numeric to a different numeric.

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